



Heather Shirley Smith
Deputy General Counsel

Duke Energy
40 W. Broad Street
Suite 690
Greenville, SC 29601

o: 864.370.5045
f: 864.370.5183

heather.smith@duke-energy.com

July 27, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: South Carolina Energy Freedom Act (H.3659) Proceeding Initiated Pursuant to S.C. Code Ann. Section 58-40-20(C): Generic Docket to (1) Investigate and Determine the Costs and Benefits of the Current Net Energy Metering Program and (2) Establish a Methodology for Calculating the Value of the Energy Produced by Customer-Generators
Docket Number: 2019-182-E

Dear Ms. Boyd:

As you may recall, on March 3, 2020, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (DEC and DEP are jointly referred to herein as the "Companies") filed a letter with this Commission providing an update on the Companies' plans for stakeholder engagement and the development of a procedural schedule in this Docket.

The Companies facilitated two stakeholder technical workshops on March 12, 2020 and April 23, 2020, and 22 separate organizations were represented by 89 participants. During the workshops DEC, DEP, and stakeholders presented information and the Companies solicited input on the various aspects of Solar Choice Net Metering including, but not limited to input on topics including long-run marginal costs, the value of distributed energy resources, valuation of direct and indirect economic impacts, transmission and distribution planning, and successor tariffs and rate designs. This stakeholder input is vital in the Companies' development of its proposed successor tariffs.

Based on the stakeholder workshops, the Companies and other interested parties have been having substantive discussions to further collaborate on these issues. These conversations and updates have been complicated by and prolonged due to Covid-19, but the Companies and interested parties have continued to collaborate in hope of reaching an agreement to offer for the Commission's consideration, if not in an initial filing, then during the pendency of a proceeding.

The Honorable Jocelyn G. Boyd
July 27, 2020
Page 2

Notwithstanding these conversations, in order to meet the statutory deadlines in Act 62 to be able to offer and bill a tariff of June 1, 2021, the Companies propose filing their applications for successor tariffs the first week of September 2020 and simultaneously addressing the topics of this Docket in pursuit of a Commission order by March 3, 2021. This timeline is driven by internal billing requirements in order to meet Act 62's statutory deadline. The Companies plan to file its application, tariff(s), analysis of the costs and benefits of the current net energy metering program, and proposed methodology for calculating the value of the energy produced by customer-generators in the above referenced Docket such that these matters can be considered contemporaneously, particularly given the significant amount of stakeholder engagement to date.

The Companies provide a proposed procedural schedule and explain how this schedule could operate with each of three Duke-related dockets (collectively, the "Duke Dockets"). The Duke Dockets are:

- Docket No. 2019-182-E—a generic docket established to consider Solar Choice Methodology as required by Act 62
- Docket No. 2019-169-E—in which Duke Energy Progress filed a successor net metering tariff on May 20, 2019, pursuant to Act 62
- Docket No. 2019-170-E—in which Duke Energy Carolinas filed a successor net metering tariff on May 20, 2019, pursuant to Act 62

Given that the Duke Dockets contain related issues, the Companies propose to submit filings that would jointly address the Companies' methodology as well as the solar choice tariffs. By submitting "bundled" filings across the Duke Dockets, the Commission could address these issues in a way that fulfills its statutory duty in a streamlined, efficient manner. By addressing these concepts at one time, the compliance tariffs filed March 15, 2021 could incorporate methodological decisions stemming from a comprehensive order from the Commission on March 3, 2021.

As such, the Companies propose the following procedural schedule: September 3, 2020 the Companies would file their application, tariffs and direct testimony; ORS and intervenors file testimony October 15, 2020, rebuttal to be filed October 29, 2020, surrebuttal, if any, to be filed November 5, 2020, evidentiary hearing starting November 17, 2020, and briefs and proposed orders to be due 30 days from receipt of full transcript, with an order to be targeted for March 3, 2021 and compliance tariffs due March 15, 2021.

The Companies have provided these proposed dates in advance of today's filing to key interested stakeholders. The Companies are willing to participate in additional discussions that advance a workable schedule for interested parties and the Commission, should a scheduling conference be held or further filed comments be accepted.

Thank you for the opportunity to provide comments on this matter.

Sincerely,



Heather Shirley Smith

cc via email: Andrew Bateman (abateman@ors.sc.gov)
Jenny Pittman (jpittman@ors.sc.gov)
Jeffrey M. Nelson (jnelson@ors.sc.gov)
Nanette S. Edwards (nedwards@ors.sc.gov)
Carri Grube Lybarker (clybarker@scconsumer.gov)
Roger P. Hall (rhall@scconsumer.gov)
Thadeus B. Culley (thad@votesolar.org)
K. Chad Burgess (Kenneth.burgess@dominionenergy.com)
Matthew W. Gissendanner (matthew.gissendanner@dominionenergy.com)
J. Blanding Holman, IV (bholman@selcsc.org)
Lauren Bowen (lbowen@selcnc.org)
David Neal (dneal@selcnc.org)
Richard Whitt (richard@rlwhitt.law)
James H. Seay, Jr. (jseay@lockhartpower.com)
Bryan Stone (bstone@lockhartpower.com)
Tyson Grinstead (tyson.grinstead@sunrun.com)
Jeffrey W. Kuykendall (jwkuykendall@jwklegal.com)
Katherine Nicole Lee (klee@selcsc.org)